

# **South Carolina Board of Economic Advisors**

## **Statement of Estimated State Revenue Impact**

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**Date:** May 27, 2008 (As amended April 30, 2008 by the House of Representatives)  
**Bill Number:** H.B. 4950  
**Author:** Cooper

**Committee Requesting Impact:** Senate Finance Committee

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### **Bill Summary**

A bill to amend Title 12, of the Code of Laws of South Carolina, 1976, relating to taxation, so as to make miscellaneous changes.

### **REVENUE IMPACT <sup>1/</sup>**

This bill, as amended, is not expected to impact state General Fund revenue in FY2008-09.

### **Explanation of Amendment (April 30, 2008) – By the House of Representatives**

This amendment would strike Sections 1 and 2 and amend the bill by adding Chapter 64 to Title 12 of the Code of Laws, 1976, entitled the “South Carolina Textiles Communities Revitalization Act”. The Textiles Communities Revitalization Act was first passed as Act 227 of 2004 to create an incentive for the rehabilitation, renovation, and redevelopment of abandoned textile mill sites located in South Carolina. Act 227 allows a taxpayer an income tax credit of twenty-five percent or a property tax credit of twenty-five percent against qualified rehabilitation expenses incurred during the renovation of an abandoned textile mill. This amendment would repeal Chapter 32, Title 6 of the Code of Laws created by Act 227 and adds new language contained in Chapter 64 of Title 12. The amended bill does not change the amounts of the tax credits permitted to qualified taxpayers, but there are several changes offered by the amendment. These changes include expanding the definition of qualified rehabilitation expenses to include expenditures incurred for environmental or site cleanup, grading, and infrastructure on the land; the taxpayer must file a “Notice of Intent to Rehabilitate” with the Department of Revenue or the municipality indicating the taxpayer’s intent to rehabilitate the textile mill site; the abandoned textile site must be limited to the land located within the boundaries where the textile manufacturing facility structure is located and does not include land located outside the boundaries of the structure; and the tax credit may be applied against corporate license fees. Since the tax credit amounts have not been changed, and the Board of Economic Advisors has included an estimate for qualified textile mill renovation credits in its revenue estimate since passage of Act 277, this amendment is not expected to impact state General Fund revenue in FY2008-09. This act takes effect upon approval by the Governor.

### **Explanation of Bill filed April 3, 2008**

This bill is a skeleton bill to amend an unnumbered section of Title 12. This bill also adds a severability clause to specify that if any part of this act is held to be unconstitutional or invalid for any reason, this shall not affect the constitutionality or validity of the remaining portions of this act.

/s/ WILLIAM C. GILLESPIE, PH.D.

William C. Gillespie, Ph.D.  
Chief Economist

**Analyst:** Martin

<sup>1/</sup> This statement meets the requirement of Section 2-7-71 for a state revenue impact by the BEA, or Section 2-7-76 for a local revenue impact or Section 6-1-85(B) for an estimate of the shift in local property tax incidence by the Office of Economic Research.